



PERSONNEL CABINET

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BRIAN CRALL
SECRETARY

Memo

To: Insurance Coordinators
From: Nancy L. Knight
Enrollment Information Branch Manager
Date: October 25, 2006
Subject: Open Enrollment Information

Following is additional information to assist you and your members during open enrollment. Please provide this information to your employees, as applicable.

OE HOURS OF OPERATION:

- Member Services Branch (502-564-6534 or toll free 888-581-8834)
10/23 - 10/24 7:30am to 6:00pm
10/25, 10/26, 10/27 7:30am to 8:00pm
- Open Enrollment Technical Support Line (502-573-1700 or toll free 866-322-7170)
Same hours as Member Services Branch (see above)

ADMINISTRATIVE WEB DIRECTIONS:

- Web Enrollment directions for Insurance Coordinators and for employees are available at <http://personnel.ky.gov/dei/07planyear/>.

CORRECTIONS TO HANDBOOK:

- Page 23 Benefit Grid: **Commonwealth Premier** -- Urgent Care Facility is \$20 co-pay.
- Page 26 Benefit Grid: **Commonwealth Select** -- Prescriptions should be subject to the deductible.
- Page 37 Mail Order Drug Benefit: Previously, to fill a new prescription through mail order (either at the retail pharmacy or through Express Scripts), a member had to have three thirty-day fills. This has been changed to require only one thirty-day fill at the retail pharmacy before being eligible for mail order. However, the drug must be on the Express Scripts Maintenance Drug List.
- Page 57 Flexible Spending Account: The amount that an employee can contribute to the Health Care FSA has been increased to \$5,000. Please note that any amount an employee decides to contribute to the FSA must be evenly divisible by 24. If the annual amount entered is not evenly divisible by 24, the amount will be adjusted automatically (rounded down to the nearest penny).
- Page 75 Termination Dates: The blue writing should read "...terminate on the last day of the following month...." not the second month.
- Page 2 of the Health Insurance Application: Dependent Care FSA for Single, head of household – The maximum amount should be \$5000 not \$2500.
- Page 2 of the Health Insurance Application: Section V -- The statement about who can participate in the FSA is incorrect. Some quasi groups have opted to participate.

COMMONWEALTH SELECT MAIL ORDER PRESCRIPTION DRUG BENEFIT:

The Mail Order Prescription Drug Benefit is administered differently from the Commonwealth Essential, Commonwealth Enhanced and Commonwealth Premier. The prescription drug benefit under the Commonwealth Select Plan is subject to the deductible and co-insurance. Mail Order benefits with the Commonwealth Select Plan will NOT be three (3) months for the cost of two (2) months. The percentage will be based on the total cost of the drug for the three months. However, mail order will still benefit members and we would recommend that you utilize the mail order benefit for any maintenance drugs. The mail order benefit is a discounted cost for the prescription drugs. In other words, if you filled your prescription three times for a thirty day fill, the co-insurance would be more than one 90 day fill. There is also a dispensing fee for a thirty day fill that is waived for mail order. Therefore, even though the benefit is not three months for the cost of two months, members will still save money with mail order prescription drug benefits.

HRA INFORMATION:

26 USCA 223(c)(1)(a) governs eligibility for participation in Health Savings Accounts (HSA). An individual is not eligible for participation in an HSA if his or her qualified medical expenses can be paid or reimbursed under a Health Reimbursement Account (HRA). Therefore, if you participate in an HSA, you will be in violation of federal law if you also enroll in an HRA through the KEHP.

ONLINE ENROLLMENT:

- You must use the Web Enrollment system to enter all applications that you receive from your employees (see next bullet for exceptions).
- Members enrolled in a cross-reference payment option: Only the plan holder or the plan holder's Insurance Coordinator should make changes to the demographic and plan information via the Web Enrollment system. The demographic and plan information shown on the Web Enrollment system belongs to the Plan Holder.
- **You must use your own password when entering an employee's application. Do NOT use the employee's password.**
- Employee's Name, Gender, and Date of Birth must be updated by submitting an Update Form to DEI.

EMPLOYEES WITH DISABLED DEPENDENTS:

- If a disabled dependent turns 24 during 2007, Humana will be verifying their disability status by requesting a doctor's statement.
- If an employee is enrolling a disabled dependent for the first time and the disabled dependent is 23 or younger, the employee should use the code DD for "Disabled Dependent".
- A member will not be able to enroll a disabled dependent who will turn 24 in 2007 and who was not on the policy in 2006 by using the Web Enrollment system. If the disabled dependent has lost coverage, the employee must follow all "Loss of Coverage" rules to enroll.

NOT ELIGIBLE FOR ONLINE ENROLLMENT:

The following groups must fill out paper health insurance applications. These applications must be reviewed and signed by their respective coordinators, then mailed to DEI for processing.

- Members enrolling a disabled dependent (who will be 24 or older in 2007) for the first time.
- Retirees.
- Retirees who have returned to work.
- Cross-referenced members who wish to switch plan holders for the new plan year.
- Spouses who were originally enrolled in a cross-reference payment option but now are taking their own insurance plan or waiving for the next plan year.

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OTHER INFORMATION

RETIREEES WHO HAVE RETURNED TO WORK:

KRS Retirees – Who have returned to work may choose one of these three (3) options:

1. An insurance plan with KRS and a waiver with no HRA with the active company;
Note: Please check the “Open Enrollment” box at the top of the active employer Health Insurance Application and use “Waive” for the description. A paper Health Insurance Application must be filled out and submitted to DEI.
2. A waiver with no HRA with KRS and an insurance plan (including Commonwealth Select) with the active company or;
3. A waiver with no HRA with KRS and a waiver with an HRA with the active company.
Note: Please check the “Open Enrollment” box at the top of the active employer Health Insurance Application and check the “Waive” box in Section V. A paper Health Insurance Application must be filled out and submitted to DEI.

KTRS Retirees – Who have returned to work may choose one of these two (2) options:

1. A waiver with no HRA with KTRS and health insurance (including Commonwealth Select) with the active company or;
2. A waiver with no HRA with KTRS and a waiver with an HRA with the active company.
Note: Please check the “Open Enrollment” box at the top of the active employer Health Insurance Application and check the “Waive” box in Section V. A paper Health Insurance Application must be filled out and submitted to DEI.

SPOUSES OF HAZARDOUS DUTY RETIREEES:

Spouses of hazardous duty retirees who are covered under the HD retiree’s plan and who are actively employed are not eligible to waive coverage and receive the employer contribution into an HRA due to KRS 18A.225 (12).

(12) Any employee who is eligible for and elects to participate in the state health insurance program as a retiree, or the spouse or beneficiary of a retiree, under any one (1) of the state-sponsored retirement systems shall not be eligible to receive the state health insurance contribution toward health care coverage as a result of any other employment for which there is a public employer contribution. This does not preclude a retiree and an active employee spouse from using both contributions to the extent needed for purchase of one (1) state sponsored health insurance policy for that plan year.

MAKING CORRECTIONS WHEN ENTERING NEW EMPLOYEES USING THE WEB ENROLLMENT SYSTEM:

If you enter an incorrect company number or social security number on a new employee shell, please follow these steps to correct the information:

1. Go to the IC Functions menu, click on “Terminate Employee”.
2. Enter the employment termination date, it should be the DAY BEFORE THE ORIGINAL HIRE DATE, click on “Calculate Termination(s)” and then click on “SAVE”.
3. Go to the IC Functions menu and re-add the new employee shell with the correct information by clicking on “Add New Employee”.

FSAs AND DEPENDENTS

You do not have to specify dependents during enrollment for whom you will be filing FSA claims.

If you have any other questions or concerns, please contact us at 888-581-8834.